

Message Text

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C O N F I D E N T I A L VIENNA 8098

E.O. 11652: : GDS

TAGS: UN, UNIDO, AORG, AFIN

SUBJECT: DEMARCHE TO SYG WALDHEIM ON UN PROGRAM BUDGET

REF: USUN 3778

1. AS DEPARTMENT AND USUN AWARE, STATEMENT BY WALDHEIM (REFTEL, PARA 7) ATTRIBUTING DIFFICULTIES HE FACES IN CONTROLLING EXPANSION OF UNIDO PROGRAM/BUDGETS TO THE HIGH DEGREE OF AUTONOMY ENJOYED BY THESE ORGANIZATIONS AND THE SUPPORT OF THEIR GOVERNING BODIES FOR BUDGETARY AND RELATED DEMANDS, TO WHICH WALDHEIM FEELS HE COULD NOT TAKE EXCEPTION FOR FEAR OF ALIENATING THE RESPECTIVE GOVERNING BODIES AND MEMBER STATES REPRESENTED THEREIN IS NOT AN ACCURATE PICTURE OF THE SITUATION.

2. ALTHOUGH POINT OF UNSUN DEMARCHE WAS OBVIOUSLY NOT DEFLECTED BY WALDHEIM STATEMENT, FOLLOWING COMMENTS MIGHT PROVIDE USEFUL BACKGROUND FOR ANY RENEWED APPROACH TO WALDHEIM ON SUBJECT OF UN BUDGETS.

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3. THE PROGRAM BUDGET ON WHICH THE IDB PRONOUNCES

ITSELF IS NOT THE PROGRAM BUDGET PROPOSED BY UNIDO'S EXECUTIVE DIRECTOR, BUT RATHER THE ESTIMATES OF THE SYG ESTABLISHED AFTER EXAMINATION BY NEW YORK HEADQUARTERS OF THE UNIDO SECRETARIAT PROPOSALS AND INTRA-SECRETARIAT NEGOTIATIONS THEREON. AT THE STAGE WHEN THE UNIDO SECRETARIAT'S PROPOSALS ARE UNDER EXAMINATION IN NEW YORK IT IS NOT POSSIBLE TO SAY WHAT THE PRECISE VIEWS OF THE BOARD MAY BE ON THE PROGRAM BUDGET FOR THE NEXT FINANCIAL PERIOD, AND IT IS THEREFORE MISLEADING TO SUGGEST THAT THE EXECUTIVE DIRECTOR'S PROPOSALS ARE SUPPORTED BY THE BOARD AND THAT THE SYG HAS LITTLE OPTION BUT TO ACCEPT THEM. SPECIFICALLY, IN THE RECENT CASE OF THE REVISED UNIDO 1976-77 PROGRAM BUDGET, THE MISSION FEELS IT WOULD BE DIFFICULT TO ESTABLISH A CONNECTION BETWEEN THE VIEWS OF THE IDB AND UNNY'S DECISION TO ACCEPT UNIDO'S REVISED 1976-77 PROGRAM BUDGET PRETTY MUCH AS SUBMITTED. IN THIS REGARD, CHIEF OF UNIDO'S BUDGET SECTION TELLS US THAT BASIC CONCERN OF UNNY'S BUDGET DIVISION IN FACE OF 6.3 PERCENT REAL PROGRAM INCREASE ABOVE 1976-77 APPROPRIATIONS FOR UNIDO VOTED BY 30TH GA WAS THAT UNIDO SECRETARIAT MAKE CONVINCING CASE THAT IT COULD ACTUALLY UTILIZE THE RESOURCES REQUESTED, WITH LITTLE OR NO ATTENTION BEING PAID TO THE QUESTION OF WHETHER LOWER PRIORITY ACTIVITIES MIGHT BE ELIMINATED IN ORDER TO HOLD DOWN SIZE OF PROGRAM INCREASE.

4. ALTHOUGH BOARD MEMEBERS FOR THE FIRST TIME, SIMULTANEOUSLY WITH KHANE'S SUBMISSION TO NY OF THE REVISED PROGRAM BUDGET FOR 1976-77, RECEIVED COPIES OF HIS PROPOSALS PRIOR TO RECEIVING THE SECRETARY GENERAL'S OFFICIAL ESTIMATES, THIS WAS FOR INFORMATION PURPOSES ONLY. THE EXECUTIVE DIRECTOR'S SUBMISSION WAS NOT EXAMINED BY THE BOARD AND DID NOT SERVE AS THE BASIS FOR EXPRESSION OF IDB VIEWS. ASIDE FROM THE LEGALITIES OF THE QUESTIO, IT HAS BEEN THE CONSISTENT POLICY
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OF GROUP B COUNTRIES TO AVOID OPENING UP AN OPPORTUNITY FOR THE BOARD WITH ITS LARGE G-77 MAJORITY TO INTERVENE WITH ITS OWN RECOMMENDATIONS ON UNIDO'S PROGRAM BUDGET PRIOR TO THE SYG DECIDING WHAT ESTIMATES HE IS PREPARED TO PUT TO THE GA.

5. EVEN ON THE BASIS OF ITS PAST EXAMINATIONS OF THE SECRETARY GENERAL'S ESTIMATES FOR UNIDO, THE BOARD HAS USUALLY NOT EXPRESSED UNIFORM VIEWS ON THE DESIRABLE LEVEL OF UNIDO'S BUDGET. AS MIGHT BE

EXPECTED, REACTIONS OF BOARD MEMBERS HAVE BEEN DIFFERENTIATED. MAJOR GROUP B CONTRIBUTORS, INCLUDING THE U.S., HAVE ALWAYS CAREFULLY MADE CLEAR THAT THEY WERE TAKING NO POSITION IN THE BOARD AS REGARDS THE ACCEPTABLE LEVEL OF UNIDO'S BUDGET AND THAT THIS QUESTION WAS RESERVED FOR DISCUSSION IN THE 5TH COMMITTEE. DURING DISCUSSION OF THE REVISED 1976-77 PROGRAM BUDGET AT RESUMED IDB-X, CRITICISMS WERE LEVELED AT THE ESTIMATES, NOT ONLY BY GROUP B COUNTRIES (JAPAN AND FRG CHARACTERIZED THE PROPOSED INCREASED AS TOO HIGH) BUT ALSO BY NIGERIA AND MEXICO, WHILE THE SOVIET UNION COMPLAINED THAT THE BOARD HAD NO EFFECTIVE VOICE IN THE ESTABLISHMENT OF UNIDO'S PROGRAM BUDGET. THE UPSHOT WAS THAT THE BOARD RESTRICTED ITSELF TO TAKING NOTE OF THE PROPOSED PROGRAM BUDGET AND REQUESTING THE GENERAL ASSEMBLY TO TAKE INTO ACCOUNT THE VIEWS EXPRESSED DURING THE BOARD EXAMINATION OF THE DOCUMENT. WE WOULD NOT CHARACTERIZE THIS ACTION AS SUPPORT OF KHANE'S BUDGETARY DEMANDS BY THE BOARD. STIBRAVY

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